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THE MANUFACTURER'S NEED OF RECIPROCITY.

Trade is always and necessarily reciprocal. Unless both sides at the same time receive a benefit from it, it does not take place. Each party buys and each sells—gives something of which he has a surplus and gets something of which he has a lack. Self-evident when goods are exchanged for goods, this is no less true when goods are exchanged for money, which is an order in blank for goods. Sometimes it fulfills our desire to obtain such an order, and await convenient time and conditions for filling it; sometimes to have that order filled; in either case we gratify our desire in the transaction. In the general view, to provide for trade at all, we must provide for reciprocal trade. There must be equal freedom on both sides, or this arrangement for the gratification and benefit of both will be obstructed. We must give in order to get, just as we must buy in order to sell.

The particular application of the general principle just stated, is to those who would pass themselves off as earnest friends of reciprocity, but insist that no reciprocity treaty can be accepted if its operation will hurt any interest now depending on the maintenance of our present obstructions to international commerce. Such friends would have ardently desired emancipation, forty years ago, but have protested that it must not take place as long as any holder of slaves might suffer in pocket by it. They would be just such advocates of temperance as the famous cross-roads politician who was "in favor of the Maine law, only agin' its enforcement." The genuine advocates of reciprocity would injure no one, if it could be helped, and regret that two or three industries, employing a few thousand laborers at most, under an investment of a few millions of capital, may fail to share in the general benefit that the most important of the pending treaties (that with France) would bring; but they can-

not think it right to sacrifice the interests of every other producer along with the great army of consumers in this mighty republic to those of so slender a minority. A voice from the West reminds us: "Reciprocity that injures no American interests comes practically to reciprocity that alarms no American interests; and this means reciprocity that is merely a catchword. The West and the Central West ask more than this."

Another fact, which business men cannot afford to neglect, is found in the operation of the general law that it is that part of the product which is—normally, not occasionally or accidentally—marketed at the greatest disadvantage to the producer, whose cost of production fixes the price of the whole. Applied to those who produce more than enough for the home demand, this law shows its working in the observed fact that the exported surplus always fixes the price of the product, unless there is a combination of producers, assisted by an import duty, to maintain a higher price for the same goods at home than abroad. Because such combinations can be made among manufacturers, instances of their wares costing fellow-citizen producers more than the same goods cost aliens are not at all uncommon; because to farmers, scattered as they are, such combinations are not practicable, the prices realized from their wheat, corn and cotton are at the mercy of the foreign demand. If the need of exporting manufacturers for open markets abroad, to escape the stagnation and reduction of business or commercial disaster that come from overproduction, seems all but self-evident, the need of exporting farmers for the same opportunity is even greater.

What is the practical application of these general principles? This: that a government, seeking to aid the producer by assuring him a market for his product, has a special function with regard to producers of goods that can be exported. To them it is of very little service to put foreign rivals at a disadvantage in home markets, for producers able

to meet competition on equal terms abroad must already have become sufficiently assured at home without such preference. But it is of very great service to them to provide that foreign rivals shall not have them at a disadvantage in markets beyond the reach of our protection. That provision can only be made by remembering the amount of human nature there is in mankind—remembering that legislation, passed with the avowed object of crippling foreign producers, is not often amiably received by those against whom it is directed—that the same appliance which we use against them can as readily be turned against us, and in many cases will be. Our producers seem to be spoiled by the knowledge that there is always one foreign country—and that one by far their best customer on the globe—that can be depended on to rise superior to such petty spites. But after all we need a wider market than Great Britain, or the British Empire; and we must expect that the countries of Continental Europe will treat us no better than we treat them. That such an expectation is well founded, the reports that come to us every week, of fresh combinations on the Continent against our products, leave us in no doubt. A few months ago Russia was proclaiming her maximum tariff schedule against our manufactures; then there were Austrian statesmen who wanted to form a trade league of powers to keep us out; now the German Reichstag is carefully devising and perfecting a new tariff which this country is to feel with especial severity. No need to particularize; every new move to which all those people, who really want our wares and ought to have them, are driven by the very human propensity to retaliate, grows more and more discouraging to exporters here. Every country that has a higher and a lower scale of import duties, already applies the higher to our products. In the case of France we share that distinction with no European country but Portugal; all others have obtained better treatment in the only way it can be obtained, by according better treatment in return.

The question whether, by ratifying the pending treaty with the French Republic, we shall secure for ourselves the lower scale of duties on 635 out of 654 items of the French tariff, is, to any manufacturer who hopes by any possibility to sell any of his products in France, one on which there is room for but one opinion. The percentage of duty on these 635 items, including some concessions already temporarily granted, and made permanent by the proposed treaty, is to be reduced from an average maximum of 71 to an average of 37; the French thus strike off 48 per cent of their rates on that extensive and important list of articles, of which our exports to France in 1898 exceeded thirteen million dollars' worth. In return, this country grants reductions of from 5 to 20 per cent of the tariff rates on twenty-six out of 705 articles, which now pay an average duty of $47\frac{1}{2}$ per cent, but will pay 44 per cent after the reduction, the rates being diminished by hardly 7 per cent. If those terms are not sufficiently favorable, it is quite impossible to imagine any, that the French would grant, which could satisfy us. The opposition comes from a few who fear, or profess to fear, that the protection of 45 per cent ad valorem, which knit goods, for example, now enjoy, in addition to the specific duty now paid on such goods and left intact, will hopelessly ruin their production if reduced to 36 per cent; or who claim that success under a 60 per cent ad valorem rate on jewelry, will give place to bankruptcy and collapse under 57 per cent; or that the country, just able to make skin gloves with a handicap of 50 per cent against the French, would miserably fail with no more than a petty 45 per cent. Those are the people in obedience to whose behests the Senate is now bidden to throw out the French treaty, concluded in compliance with the provisions of the Dingley tariff itself, and so give up our opportunity to establish a demand for 635 articles of our production in France, free of the disadvantage of having to pay maximum rates of duty while all competing nations pay minimum rates. The late President was

firmly of the opinion that the proposed treaty would not seriously injure a single American industry. Unless he was sadly mistaken, therefore, the question is as altogether one-sided as ever came before our people for consideration.

An important fact—though, like those already cited, almost a truism—is that trade is conducted by and between individuals, not nations. Laws and decrees may direct it, but cannot create it. To this it may be added, that such direction as they give is usually negative rather than positive; discouraging trade in undesired instead of encouraging it in desired channels. Bounties and subsidies are intended to furnish the positive element, encouragement; import duties the negative, discouragement. Alexander Hamilton was an earnest advocate of the positive plan. His great Report on Manufactures advocated duties on a revenue basis, leaving free the raw materials of our industries, and turning the productive energy of the country to new manufacturing by the encouragement of subsidies. Such a tariff would be condemned as radical free trade, if proposed in our day. The action of reciprocity arrangements is to take off some of the obstructions which would turn trade inward by making it less profitable outward; to allow the individual, who is actually to do the trading, a little additional liberty. To some friends of this policy, the slight increase that it tends to give to the liberty of the citizen is its most important characteristic—that which renders it most valuable. It is doubtless true that reciprocity is limited free trade, and free trade unlimited reciprocity. Nevertheless, some of the most ardent partisans of protection are active in advancing the reciprocity policy, while some of the most energetic advocates of free trade denounce that policy with some bitterness. Permit me to quote from one of these, whose discernment and high integrity I have always honored and whom I have long cherished as a friend. He writes:

“The reciprocity to which the American people are invited is not reciprocity in trade between individuals, but a reciprocity by treaty

between nations to relieve them from some of the evils which they have imposed upon themselves." The Republican leaders to whom we owe the McKinley and Dingley tariffs "saw this. They also saw more than this. They saw that the word was one by which they could tickle popular sentiment, and which could be stretched in either direction. They saw that while the natural effect would be greater freedom of trade, it could be applied to industries which received no benefits from protection while allowing the great monopolies to retain their special privileges, and thus furnishing a powerful source from which election expenses could be drawn—an enduring instrument to corrupt and debauch the people."

Nevertheless, the great body of those who would advance their country's interest by securing for it larger liberty of trade are undoubtedly in favor of ratifying such treaties as that concluded with France. Even though they may come in the character of "handmaids of protection," they carry us a little way ahead in the direction of liberty; and progress in that direction is welcomed, however we may be led to it.

A large and interesting class of reasons why the true policy of our government is now—whatever it may have been in the past—to do what can be done to win for our producers better markets abroad, rather than provide for foreign producers worse and worse markets here, is furnished by the general criticisms to which the policy of high import rates embodied in the Dingley tariff has laid itself open. A few may be named:

1. The laborers employed in the industries dependent on protection are few in number compared with those occupied in producing goods for export. The number of hands at work in raising the exported part of our wheat and cotton crops, together with the number engaged in flour-mills and machine shops whose product is exported, are estimated at 3,000,000; and the number of those who could possibly be affected by reduction of duties must be considerably less than a million. It follows that the interest of the workingman points to wider distribution, and freer access to foreign markets.

2. The total value of the country's wool clip, whose protection forms so important a part of latter-day tariffs, "has rarely if ever exceeded \$60,000,000." Putting the total agricultural production of the country, exclusive of what is fed to live stock, at four thousand million dollars' worth, the maximum proportion formed by wool is $1\frac{1}{2}$ per cent. The total value of our exported agricultural products has by this time risen to \$900,000,000 annually, or, reduced to the value of the crude product on the farm, about \$750,000,000, more than twelve times that of our total wool clip. It would appear to follow that the average farmer's interest in finding a good market for the products he exports is, to his interest in getting a higher price for his wool, about as twelve to one; and that he is not sagacious in upholding a system under which an artificially enhanced price is found for $1\frac{1}{2}$ per cent of his product, if that system at the same time reduces the purchasing power of the remaining $98\frac{1}{2}$ per cent. It appears worth while to add, since we hear so much of the interest of Ohio in wool, that the 1901 clip of that state is valued at only \$3,166,593 in the last report of the National Association of Woolen Manufacturers, and it has been calculated that Ohio's yearly product of hen's eggs is worth about double that figure.

3. The contrast between the list of manufactures successfully established in this country, given by Hamilton in 1791, when there had been no legislation to encourage them, but not a little to discourage, and the professed opinion in our day, that notwithstanding all the acquired aptitude and ingenuity of our people, industries cannot be conducted without a handicap of at least 50 per cent on foreign competition, is significant. We often hear it said that ours would become a nation of mere agriculturists, but for legislative protection against it. The absurdity of this opinion is too glaring, doubtless, for exposure among thinking men; but the point of interest about it is that, so far as it is a sincere opinion, it is the direct teaching of the high tariffs them-

selves. The question then suggests itself, is it desirable, or not, for such unfounded distrust of our national capacity to become current? Is it desirable, or not, for our citizens to feel unable to go ahead with any new enterprise until the government first encourages it with an import duty? Does such a disposition, or does it not, advance us to the first rank in industry and commerce? If an affirmative answer is given, tariff legislation for forty years, culminating in the Dingley law, is admirably calculated to cultivate the frame of mind thus accounted desirable.

Criticisms of the reciprocity idea, founded on unfavorable judgments as to the working of reciprocity treaties in the past, are sometimes made. There is nothing really available for comparison, in the history of this country, except the Canadian reciprocity which held from 1855 to 1866. The arrangements known sometimes as reciprocity treaties, concluded under the McKinley law in 1891 and 1892, are not comparable with anything now proposed. Yet those arrangements did largely increase our exports to the Spanish West Indies while they lasted; and although no such effect is discoverable in other cases—in the British West Indies, Central and South America, and Germany—they had hardly had time to come into operation before the financial depression of 1893 came upon America and Europe, and commercial conditions were no longer normal. The Canadian treaty is variously considered, according to the point of view from which it is approached. Hon. Commissioner Kasson, to whose skill, industry and care for its interests in negotiating the pending treaties, the country owes so much, is convinced that it was of great service to us, not only in promoting our export trade to the Dominion, but in preventing them in some degree from becoming our rivals in the British trade. In opposition to it, the charge most frequently made is that the Canadians gained more by it than we did. That would be petty enough if the charge were true, and there is no satisfactory evidence that it is true. The balance-

of-trade argument has been used, and quite successfully if success is judged by the possibility of picking out individual years in which there was a large importation from Canada. The truth as appears from the trade figures is that both imports and exports largely increased in the early years of the treaty; that after a few years our exports fell off, slightly more than our imports—though there were fluctuations in both; that during the last few years of the treaty, about the close of our Civil War, imports came to exceed their highest previous figures, though exports did not; that, although those last years show some balance of trade on the Canadian side, the balance for the whole twelve years is decidedly on the other, or what is known as the “favorable” side for us; that for some time after the treaty was abrogated the balance turned strongly “against” us, to an extent of \$29,000,000 in four years. That the significant falling off in our exports to Canada which followed the abrogation of the treaty was due to that abrogation, there can be no reasonable doubt, since the direct effect of it was a marked provocation of hostile sentiment across the border. In that way the consequences of our action were deplorable in the extreme. We prevented the Canadians from growing closer to us, in a business way, as their situation, their evident interests and our common history would so naturally have led them long ago to grow; and notwithstanding the gratifying recent development of commercial relations between us, it is safe to say that business across the line, both in exporting and in importing, would probably be twice as extensive as it now is, if we had not turned the Canadian mind against us in 1866. We are often told that sentiment has no influence in business. No direct influence, we might perhaps admit; but its indirect influence is mighty.

But far beyond any other country in present importance, as bearing upon the question of reciprocity, is the island of Cuba. The best-known historian of the recent war in that island, Col. Theodore Roosevelt, now President, reminds us

that "the guns that thundered over Manila and Santiago left us echoes of glory, but they also left us a legacy of duty. It is worse than idle for us to say that we have no duty to perform and can leave the islands to their fate. Let us, as we value our self-respect, face these responsibilities and meet the problem in a way to redound to our glory, with high resolve for the widest freedom of individual initiative and for the wisest control of national initiative, pursuing no policy that is hostile to the welfare of the many. While our nation's first duty is within its own borders, it is not to be absolved from facing its duties as a whole, and if it refuses to do so it forfeits its right to struggle for a place among the peoples that shape the destiny of mankind." I wish there were room for further quotation from our President's honest, manly words, so sharply and clearly suggesting the nation's duty and responsibility. This duty and responsibility have particular application to commerce. Among many acknowledgments of this I select the following from the editorial columns of the *New York Tribune* :

"We may unhesitatingly declare that Cuba's grievance against Spain was primarily a commercial one, and that it was because Spain refused to redress that grievance—because, that is, Spain refused to give the island a commercial system under which its people could prosper—that Cuba first and repeatedly raised the standard of revolt. . . . The United States regarded it as valid, and sympathized with Cuba over it. In view of these facts it does not seem possible—it ought not to be conceivable—that the United States should repeat and continue the Spanish blunder of oppressive commercial laws concerning Cuba, and thus arouse against ourselves the legitimate grievance which Cuba long had against Spain. . . . The United States are exercising authority and cannot escape responsibility. They must either give Cuba as good a market as she can get elsewhere or let her go elsewhere."

Our responsibility is great, because our power is great. At our command, as an express condition of our ceasing to treat the island as conquered territory under martial law, the "Platt Amendment" was forced into the new Constitution

of Cuba, as an integral part of her organic law. By that amendment the Cubans are practically bound, hand and foot; they dare not turn elsewhere for favorable terms, but must be satisfied with what we choose to give them; and what we have hitherto chosen to give them is only a fresh and increased dose of the old Spanish prescription: pauperism and bankruptcy. The commercial products of the island are sugar and tobacco. For these our country is the natural market, and we make our duties especially heavy on them: about 99 per cent on sugar, the more important of the two, or nearly double the Dingley rates on dutiable goods generally; the rate being \$1.68 per hundred pounds, the Cubans receiving, after deducting cost of transportation, barely \$1.70, which is less than the cost of production. This cannot continue: it points to inevitable ruin and paralysis of productive and commercial enterprise, with a relegation of that fair island to a condition of idleness and semi-barbarism. The land is fertile, luckily; nature there produces enough, with little assistance, to keep the population from starvation; but there can be no growth. I feel a slight shame in showing how our own interests are suffering along with those of our island ward; but that is one of the facts in the case, and the pace at which the evil is progressing is clearly shown by the rate at which our Cuban export trade has fallen off since 1899, when it was \$36,500,000. The loss in 1900 was \$4,500,000, and in the first eight months of 1901 \$5,000,000 more. Our exports to Cuba within two years under the Blaine-McKinley reciprocity arrangement doubled in value. Can any other lesson be drawn from the present falling off in a trade, so prosperous elsewhere, than that our customers in Cuba cannot buy of us because we have made them too poor?

If we insist upon making Cuba our Ireland, we degrade it and turn it from gratitude to bitter enmity. And is this to be the result of our occupation of Cuba—this the glory we are to reap from the triumph of our arms? Impossible. No violation of good faith so palpable, so indefensible, may

be laid to our charge until we have actually committed it. Our conduct in Cuba, since the occupation began, has been on the whole decidedly honorable: our representatives, both military and civil, have, with a few exceptions, done the country credit. The chief of those representatives, Governor-General Wood, is eminently the best man for the place. If the country should, in the *Tribune's* words, "repeat and continue the Spanish blunder," it will be as surprising as disappointing.

Such opposition as is made to the demand of the Cubans for reciprocal trade with the United States comes, it need hardly be stated, from the sugar and tobacco producers: mainly from the former. Even the opposition from these sources is often not altogether candid in its expression: for instance, we are not infrequently treated to the assertion that lowering the duty on Cuban sugar will not bring greater gains to the Cuban growers, but that the lion's share will fall to the Sugar Trust. That corporation occupies a singular position in our politics. Everybody appeals with confidence to its assumed unpopularity; everybody expects approval for this or that scheme which he claims will diminish its profits, or calls down denunciation on the other scheme which is certain to enhance them; yet meantime, no one, by any chance, undertakes to effect the only means of really cutting down its gains: taking off a part of the impost on refined sugar. Both great parties seem alike in this. The Sugar Trust seems to hold both in its grasp. The McKinley bill made raw sugar free, but allowed a generous duty on refined; the Wilson bill dealt gently with sugar refining; the Dingley bill was not behind its predecessors in deference to the same powerful interest. And yet, to judge from the general trend of talk on the subject, one would think that it had not a friend! Well, in sober truth, I think it altogether possible that through increased sales the greatly favored and greatly anathematized Sugar Trust would enjoy a small part of the profit of free admission of the raw product from Cuba.

I think it altogether probable that all the consumers of sugar, including fruit-canners, makers of jams and preserves, would obtain a larger part. I think it altogether certain that the Cubans would secure for themselves a still larger part—which, whether larger or smaller, would be sufficient to make all the difference between success and ruin—between revival and paralysis of agriculture and enterprise—between friendship and enduring enmity on their part towards us—between duty and perfidy on our part towards them. If there should be any question how the Cubans themselves feel on the subject, ask them—as I have already done. If, after doing “our plain duty,” in this case, we should happen to discover that the Trust was drawing an undue share of the profits, things could easily and effectually be made even by cutting down a part of the duty on sugar above No. 16, Dutch standard.

Though less conspicuous in the case of other countries than Cuba, the ethical element has a real place in all considerations of reciprocity. Exchange of material goods is not all that commerce involves: for all is not ended when articles have been delivered and money paid. The mind is quickened in the process, and more knowledge of our fellow-men arouses more sympathy. It is a necessity, in concluding a mercantile transaction, to put oneself into the other party's place—to think to some extent with his thoughts—otherwise we cannot secure that adaptation of his needs to our commodity, or of his commodity to our needs, which is requisite for the exchange. This is obvious enough; but important consequences grow out of it. Commercial dealing thus comes to be a powerful bond of human brotherhood; what the merchant undertakes from the mere desire for gain, comes to work without his wish, without his knowledge, as a minister of peace on earth, good will to men. The fact that it widens the sphere of commerce, and tends to restrict that of warfare, is to my mind the strongest argument for international reciprocity.

It was probably less because of their wish to speed commerce on her way to the ends of the earth as a messenger of Christianity and composer of international enmities than because of economic merits they saw in the policy, that the National Manufacturers' Association called a convention to discuss reciprocity treaties in Washington last month. Lest the importance of their theme, the extension of markets for our manufactured products in foreign countries, should lead them too far into projects that had no application to present-day practicabilities, they very discreetly limited the scope of their discussion; resolving firmly and distinctly that "No consideration will be given to any suggestions looking to a general revision of the present tariff law of the United States nor to the abandonment or modification of the essential principles embodied in that law." Recognizing the wide-spread tendency in the popular mind to associate reciprocity arrangements with moderations of (or—if the phrase be preferred—"attacks on") our general scheme of import duties, they very properly shut off discussion on that point at the outset. They might as properly have gone farther yet, and clearly shown, on behalf of the "reciprocity that alarms no American interests," that what they had in view was in perfect harmony with "the essential principles of the present tariff law," so that the popular disposition to think otherwise was a mere vagary.

What are those "essential principles" from which we are in no wise to depart? The leading "principle," we well know, is that citizens of this Republic may not be trusted to make their purchases wisely, but need the salutary discipline of a fine to restrain them from dealing with producers not favored by the better wisdom of a paternal government. Surely it cannot be necessary formally to prove, what appears so evident at a glance, that treaty regulations made by the government itself could cast no reflection on the superior ability of governmental machinery to bring wealth and prosperity to the citizen, and the cardinal "principle" that the

citizen would obstinately rush to the wrong place to make his purchase if the law forbore to fine him for making the mistake. No, the reciprocity of the political platforms is no removal of the paternal office of regulating. It is rightly claimed as an exemplification, not a transgression of "the essential principles."

Another principle, only a little less essential than the one just set forth, is that the general well-being is advanced by the formation, and establishment in the plenitude of power, of great combinations of producers. That it is the primary object of our tariff laws to assist these combinations to rise and thrive, will not and need not be asserted; but it can hardly be denied that if they had been enacted with that primary object they could not more effectually have attained it. We must frankly admit that reciprocity arrangements, if not carefully drawn, might easily endanger the supremacy and sway of these special favorites of our legislation; but it is not of such bungling prentice-work that we are now speaking. It is not difficult to draw up treaties that will leave the citizen in many ways as much under the dominion of consolidated capital as he ever was; and, even granting the possibility that the executive branch of government might fall in some degree short of the full measure of consideration due to vested rights, we are assured in our national Senate of a vigilant guardian to whose tender care no combination, corporation or trust may appeal in vain. The power of the Senate to amend is a guaranty of the integrity of our second "essential principle."

The third principle, so closely akin to the second that the two might almost be considered in one sentence, is that prosperity is advanced by the sale of American manufactures in home markets at higher prices than the same manufactures command in Europe. If prosperity is identical with high prices, and Europe's inferiority results from its being denied that blessing, our third principle necessarily follows; and it is quite plain that our own continued enjoyment of it is

dependent on the maintenance of trusts and other such combinations, or at least of mutual understandings among producers. It must be confessed that reciprocity treaties, so far as they affect the matter, tend to reduce or remove this difference in prices, and that is perhaps their weakest point in the mind of the orthodox protectionist; yet, after all, he may comfort himself with the reflection that this criticism applies to treaties unskillfully made, and not to such as are warranted to "alarm" nobody. The care already recommended in the drafting of them, and the well-established character of our Senate, may fully assure him that this great principle will suffer no detriment.

So much to show the ease with which reciprocity, of a certain kind, may be reconciled with the Dingley act. More in the same line might be added, if it were necessary to add anything to the section of the bill itself calling for reciprocity arrangements, and nullified unless some kind of reciprocity is devised, and ratified as part of the law of the land. But reciprocity, of the kind which some of us who called the convention believed that it might be induced to approve, recognizes the truth that we cannot expect to obtain concessions worth having without giving something for them in return—giving something real, and not merely pretending to give—and its results, though, as already shown, not seriously injuring anyone, cannot in every case be kept from causing some alarm, or at least some apprehension of diminished business profits in some quarters.

It was with a view of securing something real and positive as the outcome of the convention, that the opening speech in behalf of the treaties now pending in the Senate was made. In that speech I called especial attention to the adverse foreign legislation which had come, or was immediately expected, as a direct and inevitable effect of our last tariff act, to the necessity of either submitting to that hostile legislation or of setting ourselves in earnest to counteract it, to the latter alternative as in every way preferable, and to the final

words of our lamented President at Buffalo, by which the convention was asked to guide itself. It may possibly be worth while to say as much as this about the speech, because at least one Philadelphia newspaper leaves its readers to infer that there was nothing therein but a declaration that the present tariff is "the highest in the history of the world"—which, literally speaking, it possibly is not. Perhaps in some provinces of China, perhaps in Spain centuries ago, the Dingley schedules may have been surpassed; and it may be pretty confidently affirmed that the business men present received no impression to the contrary. What they understood, what it was intended to have them understand, and what is notoriously true, is that, in the history of the world, no nation undertaking to send its products abroad, has ever put up such an obstacle to prevent its foreign customers from paying for its goods, as have the United States in their series of exorbitant tariffs culminating in the one now in force. It may be of interest to add that my authority is the Government Actuary. He will tell you that the customs duties collected by the United States, reduced to an average ad valorem rate on the total imports, are much greater than by any commercial or manufacturing country in the world. He will tell you that the average duty in Russia, where it is highest, is about 37 per cent, and that her free list is very small—while the United States rate, exclusive of the free list, is 50 or 52 per cent; although, by including our extensive free importations, covering about 40 per cent of the whole, the average rate may be reduced to 30 per cent. It will thus be seen that our rate is considerably higher even than Russia's on dutiable articles.

The significance of the criticism which that statement, in the convention speech, has met is in the sensitiveness it indicates, on the part of the critics, over the high import rates of the Dingley law. It might have been anticipated that they would glory in its exalted figures, and exult in the attention called to them. If I may interpret their outcry as

evidence that they are growing ashamed of those exorbitant rates, it would be unpardonably ungracious in me not to welcome it as an evidence of progress.

In discussing the proceedings of the Reciprocity Convention, fairness seems to require that I should pay equal attention to the leading speech in opposition to reciprocity, by the representative of the Manufacturers' Club of this city, a speech reported at length, as the important feature of the proceedings, by the *American Economist*. In his use of Treasury statistics, the speaker selected as an example under "the Wilson tariff act" the fiscal year 1892-93, which closed more than a year before there was a Wilson tariff in existence, and of whose twelve months eight were under the Harrison administration. He goes on to compare, in respect to imports and exports, three recent years with three that he calls "Wilson bill" years: 1893-4-5. For more than half the time he included as "Wilson" years the McKinley tariff was in force, so that the comparison was simply a piece of statistical juggling, recalling the irresistible humor of the "Max Adeler" jokes. The falling off in our export trade during the years 1893-4-5 was due to a depressed financial condition abroad as well as at home, joined with a succession of unusually large wheat and rye crops in Europe; and its revival since those years is due to many causes, among which a better monetary condition among our customers, a fuller gold supply from the mines, and a sharper European demand for our agricultural products are included. Our manufacturers have obtained a part of the benefit of this improved foreign demand; and it is easier to stay in the markets of Europe when once in than it was to work in at first.

The Manufacturers' Club speech unfortunately carried the convention with it. The resolution finally adopted was feeble and ambiguous, and thus the result was practically null. The New York Chamber of Commerce has already condemned it by a formal vote, and the newspapers give it

faint praise. Has this "lame and impotent conclusion" really sounded "the death-knell of all the reciprocity treaties?" Has the whole movement for better markets abroad been in vain? Not permanently, we may rest assured: if China herself is not permitted forever to pursue a Chinese policy, surely we will not undertake to pursue one. The certainly coming expansion of our foreign trade facilities may come easily, and it may come violently; if it be our wish to have it come easily, moderately, rationally, normally, we should do all in our power to obtain from the present Senate and House of Representatives, both under the unfettered sway of the Dingley policy, the modest concessions called for in the treaties.

Associations, both in the capital city and in Ohio, have been formed to build a monument in memory of William McKinley, that his fellow-citizens may be perpetually reminded of his virtues and his public services. It is fitting and proper to do this. But it has been suggested that the best possible memorial to our martyr President would be some work in the line of his own evident wishes—and would not a sincere patriot, whose last words were for his country, be best honored by deeds in furtherance of those words? How earnestly his heart was enlisted in the success of the treaties agreed upon under his direction I have long known from personal intercourse; the world has known it since his address in Buffalo. Those in political accord with him should not be foremost in disregarding his last appeal.

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